



PRIMMER PIPER  
EGGLESTON &  
CRAMER PC

JAMES F. FEEHAN  
GOVERNMENT RELATIONS DIRECTOR  
*jfeehan@primmer.com*  
TEL: 802-864-0880  
FAX: 802-864-0328

30 Main Street, Suite 500 | P.O. Box 1489 | Burlington, VT 05402-1489

February 10, 2026

Sen. Alison Clarkson, Chair  
Senate Committee on Economic Development, Housing &  
General Affairs  
Vermont State House  
115 State Street  
Montpelier, VT 05633-5301

Re: S.173, a bill regarding workers' compensation and vocational rehabilitation

Dear Sen. Clarkson and Members of the Senate Committee on Economic Development, Housing & General Affairs:

On behalf of the American Property Casualty Insurance Association<sup>1</sup>, thank you for the opportunity to provide comments related to S.173, a bill regarding workers' compensation and vocational rehabilitation. Our shared goal is to help injured workers return to work and effective vocational rehabilitation can help accomplish that. The amendments, however, remove appropriate guardrails, and we oppose them as unnecessary and doing so will add costs to the system.

Workers' compensation ratemaking and regulation is a different process – at least compared to other insurance lines. The Department of Financial Regulation (DFR) handles licensure and rates, while the Department of Labor (DOL) handles the benefit side. DFR and insurers rely on the National Council on Compensation Insurance (NCCI) as a provider of workers' compensation information, data, tools and services. Among that data shared to regulators are projected loss costs for each year.

Loss costs are the portion of premium allocated to provide for indemnity and medical costs within the workers' compensation system. Loss costs are the primary component of workers' compensation rates.

---

<sup>1</sup> Representing 67% of the U.S. property casualty insurance market, APCA promotes and protects the viability of private competition for the benefit of consumers and insurers. APCA members represent all sizes, structures, and regions, which protect families, communities, and businesses in the U.S. and across the globe. Several APCA members are located in Vermont and many more do business here. APCA members are integral to the state of Vermont. They write 72% of the property casualty insurance sold in this state. The P&C insurance industry employs over 700 Vermonters and provides annual assistance of over \$670 million in claim payments to help customers in the state. Insurers contribute over \$72 million annually to the state in premium taxes.

Starting in 2017, Vermont has seen a notable trend in these loss costs. For the voluntary (open and competitive) market alone:

2017	7.9% decrease
2018	3.7% decrease
2019	5.1% decrease
2020	11.6% decrease
2021	5.5% decrease
2022	4.9% decrease
2023	6.7% decrease
2024	flat
2025	7.4% decrease

While this is good news and a reflection of focus by DFR in reforms, this brought Vermont down but still remains more expensive than the national average

One translation of this downward trend may be: the system is working to bring down costs.

The proposed bill contains two primary components of concern to APCIA:

1. It removes the ability to screen candidates to determine whether a full assessment is appropriate with mandatory referrals to voc rehab counselors, and
2. Moreover, on line 5 of page 3, the proposal removes consideration of cost effectiveness

I hear from APCIA members that injured workers in Vermont do not have difficulty accessing voc rehab. Further, APCIA members have no evidence that the current system is broken, or in need of removal or overhaul. Members also say there is not a pattern or systemic issue, at least from the perspective of teams on the ground. On the contrary, it could be that the system is working as intended and claimants are appropriately screened for a full assessment.

Removing the cost effectiveness will drive up costs. Without such a standard, insurers (and employers) could not question any excessiveness.

Further, there are several options available to an injured worker dissatisfied with the screening process or outcome. Those include:

- 1) the injured worker has a right to change voc rehab counselors if they are not satisfied with the one selected for them.
- 2) there is a process for disputed issues, such as a screening result, an entitlement decision, or other aspects of the voc rehab plan, starting with:
  - a) encouragement from DOL to the parties to attempt resolution, to
  - b) asking the Department for a conference for discussion, mediation and resolution, to
  - c) a request that the disputed issue be addressed at a formal hearing

APCIA asks you not to pursue these amendments. If compelled to do so, we encourage you to hear from employers, voc rehab screeners, and other interested parties to get a fuller picture of any problems, or not, and how best to target solutions. Such as, is the process taking too long,

asking the wrong questions, or some other aspect that needs addressing rather than removing the whole screening process.

Thanks again for your interest in this bill, and in your interest in hearing the perspective of insurers. Please let me know if there are any questions, or if APCIA can provide any additional information.

Jamie Feehan

cc: Members, Senate Committee on Economic Development, Housing & General Affairs